

Fairland Management Company

YOUR FARM REAL ESTATE PROFESSIONALS

CROP & WEATHER REPORT

October 31, 2024

GENERAL COMMENTS & WEATHER: Harvest has been in full swing since our last report in September. Most fields are now completely harvested. Operators are beginning tillage, however some are patiently waiting for a shot of moisture to soften the soil. Overall, harvest has gone by at a record pace this year due to no rainy days and the extremely dry conditions. Producers have breathed a sigh of relief as the 2024 harvest is officially in the books.



Figure 1: The sun is setting on another harvest. As you can see, residue from the corn stalks going through the combine created many clouds of dust in the fields in Southwestern Minnesota (SWMN) this fall. We have been absolutely amazed and grateful that we have not heard of any significant combine fires in the fields this fall with the dry conditions.

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According to one of the operators that we work with whose family has kept weather records on their farm near Heron Lake since the 1950s, he indicated that this year has had both the wettest June and driest September in over 70 years. With the end of October coming up, they have also hit the longest period without rain coming in at 29 days. This was only broke by 0.06 of an inch received in the 3rd week of October. This lack of water has sped up harvest as mentioned above, but it has slowed many who wish to do tillage. It has also been unseasonably warm during the past 6 weeks. According to the Southwest Research and Outreach Center (SWROC), daily high temperatures have ranged from as high as 85 degrees to as low as 49. Daily low temps have gone from 55 to below freezing at 27.

Weather conditions have started to transition this week to a more traditional Minnesota fall. This includes the slightly lower temperatures, significant wind, and even some snow! We are just receiving some rain/snow here in SWMN on Halloween and there is a few more showers in the forecast for this weekend. The moisture is very welcomed!

SOYBEANS: Soybean harvest began mid-September and was mostly finished by early October. We saw many soybeans being taken out at a moisture of 8-10%, which is well below 13% that soybeans are graded. Many producers were able to get soybeans out earlier than anticipated, but drowned out potholes with replants in them have been late to maturing. Most of these replants were harvestable after an early frost in mid-October helped them dry out. These replants did not perform extremely well, however they provided ground coverage and a possible boost in average yield for many. The soybean yields have ranged greatly from about 25-65 bushels an acre. Many fields averaged between 45-50 bushels per acre, compared to last year's 50-55 bushels an acre average. A major advantage we saw this year was from soybeans being planted early in the planting season. These soybeans had ample time to grow before the heavy rains had a chance to drown them out in June and started to mature before the lack of moisture was apparent in August/September. Soybeans planted later into the season faced the possibility of being drowned out or lacking the crucial moisture needed to fill pods into maturity.



Figure 2: Operators were busy combining soybeans very early this year looking to preserve any moisture possible as not to lose yield.

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According to the USDA, as of October 27th, Minnesota soybeans are 98% harvested, which is 6% ahead of last year and 11% ahead of the five year average. As a whole, the U.S. soybeans are 89% harvested, which is well ahead of the five-year average of 78% at this time.

CORN: Corn harvest has come to an end for the most part in SWMN. Just like soybeans, the corn was not too fond of the weather Mother Nature threw at it this year. Luckily corn is more resilient than soybeans in the long-run. With many plants being submerged in water throughout the month of June, we were not expecting record breaking yields. Add the dry conditions of the last half of the growing season and even though corn is resilient in dry conditions, moisture requirements were not being fulfilled. For reference, in past years the available soil water content has averaged just above 5 inches in the month of October. This year, we are sitting at 3.6 inches. Meeting Growing Degree units requirements this year was not a struggle as we ended at 2,681 units, over a 100 units more than in past years. Initial reports show most yields between 160 and 190 bushels an acre, with a broader range of 130 to 220 bushels an acre. One of the upsides to a dry year is the lower than anticipated drying cost, as a lot of fields were harvested with moisture under 18% and many under 14%, which is the standard for storing in a grain elevator on warehouse receipt.



Figure 3: This neighbor's soybean field was tilled in preparation for corn to be grown next year. With excess moisture/compaction from the extensive rain in June to no moisture in the ground this fall, the soil tills up hard and clumpy. This is not ideal, but with a little rain in the forecast, many are proceeding with tillage regardless. Hopefully we pick up some significant moisture and have some freeze/thawing effect on this soil before next spring.

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According to the USDA as of October 27th, Minnesota corn is 85% harvested, which is 14% ahead of last year's pace, and still 22% ahead of the five year average. U.S. corn is currently 81% harvested, which is 17% ahead of the five-year average of 64%.

REMARKS: The USDA Monthly Supply and Demand Report was released on October 11th. The 2024 U.S. corn production estimate is 15.203 billion bushels, which is 17 million bushels higher than the September report. The estimated national corn yield was increased by two tenths of a bushel to 183.8 bushels per acre. However, U.S. carryout was lowered to about 1.999 billion bushels, down from 2.057 billion bushels as estimated in September, but still much higher than 1.760 billion for the 2023 crop. The USDA estimate of global ending stocks is 306.5 Million Metric Tons (MMT), also declined from September's reported figure of 308.4 MMT. Overall, the world corn supply appears to be more than adequate, so we see prices continuing to hover around \$4 per bushel here in SWMN.

U.S. Soybean yield estimates were virtually steady from the September report at 53.1 bushels per acre. Soybean production is estimated at 4.586 billion bushels domestically, with U.S. carryover projected to be 550 million bushels. For reference, last year's carryout was 342 million bushels and the previous year at 264 million bushels. Worldwide soybean ending stocks are projected at 134.7 MMT. Overall, U.S. and world supplies of soybeans are projected to be ample, thus putting downward pressure on soybean prices. We anticipate soybean prices will be around \$9.50-\$10 per bushel until there is some weather issue or trade issue that arises.

After the 12+ inches of rain in mid-June to the extremely dry conditions in mid-August through October, the topsoil is very compacted, crusty, and hard. This is making it challenging for farmers to be able to do tillage, as either the soil is not as mellow as we want it and/or there is a lot of extra wear and tear on their tillage equipment. In some cases, the steel tips on the tillage equipment will "glow" at night because of the friction by pulling through the soil. These steel tips can cost farmers over \$1,000 per quarter section (160 acres) of tillage. Fuel usage is up as the tillage equipment "pulls harder". A few fertilizer applicators have tried to apply anhydrous ammonium for the nitrogen, but between the hard/dry soil and the warm temperatures that we have experienced, many are still waiting to decide if they put on anhydrous this fall as they usually do, or wait until spring and apply nitrogen via urea or 32% nitrogen fertilizer. Hopefully we receive enough moisture to finish tillage and fertilizer application yet this fall.

As crop production is finalized for 2024, we are finding ourselves doing some calculations to see if there are crop insurance claims for our clients. As alluded to earlier in this report, the yields were lower than expected. When you combine this with the decrease in market price from the spring guaranteed price some farms will qualify for a claim. The established spring price was \$4.66 for corn and \$11.55 for soybeans. The fall harvest price will be finalized on November 1st, but it is currently at about \$4.17 for corn and \$10.05 for beans. If a claim seems likely for your farm, we will work with the insurance agent to make sure it is processed accordingly.

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Figure 4: Tillage equipment has changed over the last 70 years. Many still follow the same practice of fall tillage, but with larger equipment. It would be hard to imagine doing the tillage we are today in such hard ground with older equipment.

At Fairland, we have been busy with monitoring and coordinating harvest as well as processing all of the production data that accompanies it. At the same time, fertilizer and other input costs are being booked/prepaid/applied for 2025. The second half of our clients' real estate taxes are being paid, the cash rent is being collected, and rental rates negotiated for next year. We are scheduling meetings with different seed companies to go over this year's performance as well as discussing variety options for next year. It is going to be an interesting next 4-6 weeks as we prepare for year-end closing for our clients. This is the last Crop and Weather Report for the year. We hope you have a great rest of 2024 and will see you again in 2025!

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GROWING-DEGREE DAYS

<u>LOCATION</u>	<u>MAY 1, 2024 TO DATE INDICATED</u>	<u>TOTAL GROWING DEGREE DAYS</u>	<u>DEPARTURE FROM NORMAL</u>
Lamberton	September 30, 2024	2,681	+132

GRAIN MARKETS (October 30, 2024):

	<u>NEW VISION WINDOM</u>	<u>MAGNOLIA</u>	<u>POET ETHANOL BINGHAM LAKE</u>	<u>MINNESOTA SOYBEAN PROCESSORS BREWSTER</u>
Cash				
Corn	\$4.05	\$3.99	\$4.06	N/A
Soybeans	\$9.43	\$9.50	N/A	\$9.81
October 2025				
Corn	\$4.25	N/A	4.25	N/A
Soybeans	\$9.53	N/A	N/A	9.87

RAINFALL (INCHES):

<u>COUNTY</u>	<u>CITY</u>	<u>SEPTEMBER 19- OCTOBER 30, 2024</u>	<u>MARCH 15 TO DATE- 2024</u>	<u>MARCH 15 TO DATE- 2023</u>
Cottonwood	Jeffers	0.3	28.9	24.9
Cottonwood	Windom	0.1	24.8	22.5
Jackson	Heron Lake	0.2	31.3	24.6
Jackson	Jackson	0.1	28.7	18.9
Martin	Trimont	0.1	28.1	23.5
Murray	Fulda	0.3	30.9	26.1
Murray	Slayton	0.1	22.4	19.6
Nobles	Round Lake	0.1	32.9	21.7
Nobles	Rushmore	0.2	36.1	19.6
Rock	Magnolia	0.3	32.4	18.0
Watsonwan	Darfur	0.2	32.5	29.3

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